



State of Utah
Department of
Natural Resources

MICHAEL R. STYLER
Executive Director

Division of
Oil, Gas & Mining

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 20, 2005

Paula Doughty
Kennecott Utah Copper Corporation
P.O. Box 6001
Magna, Utah 84044-6001

Subject: Revised Permit Boundary for Kennecott Copper Corporation's Bingham Canyon Permit, M/035/002, Salt Lake County, Utah

Dear Ms. Doughty:

On November 15, 2004 the Division received KUCC's map of the Bingham Canyon Mine with township, range and sections added for clarity. This map was submitted to facilitate KUCC's request to release 10 sections of land located on the eastern portion of the permit. These areas contained in the request include: Sections 7, 17, 18, 19 T3S, R1W and 13, 14, 15, 24, 25, 28, T3S, R2W.

The changes to the original map, requested by the Division, were made and the map now identifies the section, range and township of the areas being considered for release. The map, as received, still requires an additional change that would show the permit outline around the area contained in KUCC's release request.

The letter attached to the map indicates that the permit boundary has been revised to reflect the release of 10 sections of land granted by DOGM in a letter received on August 2, 2004. Please note that DOGM has not yet granted this release. The August 2, 2004 letter was an inspection memo in which Doug Jensen (the memo's author) stated that as a result of his inspection tour with Paul Baker it was decided that because of the reclamation activities that had occurred in these areas, they recommended the release of the 10 sections (with the exception of several areas outlined in the memo).

The areas to be released are a part of the Bingham Canyon Permit (M/035/002) which is covered by a Board contract. Because reclamation of the Bingham Canyon Mine is guaranteed by this contract, release from any portion of

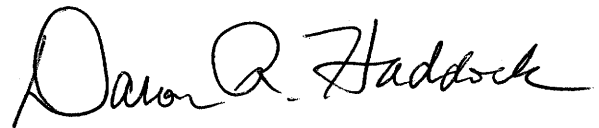
Paula Doughty
Page 2 of 2
M/035/002
January 20, 2005

the areas covered by this permit will require Board approval. Therefore, to affect a release, KUCC will need to approach the Board with the recommendation contained in the inspection memo and request a release.

We apologize for any misunderstanding the inspection memo may have caused and trust that this letter will help clarify the steps needed to acquire full release of the 10 sections. We will be happy to assist KUCC by reviewing your petition, before it is presented to the Board.

If you have any questions concerning this letter, please contact me at (801) 538-5325.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" being more prominent than the last name "Haddock".

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:jb
O:\M035-SaltLake\M0350002-BinghamPit\draft\10sec-rel.doc